AL MAZAYA HOLDING COMPANY K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2023
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION

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AND ITS SUBSIDIARIES
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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Al Mazaya Holding Company K.S.C.P.
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Mazaya Holding Company K.S.C.P. (The Parent Company) and its subsidiaries (the Group) as of March 31, 2023 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim financial information performed by the Independent Auditor of the Entity.” A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Report on other Legal and Regulatory Requirements

Furthermore, based on our review the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended during the three months period ended March 31, 2023 that might have had a material effect on the Group’s financial position or results of its operations.

Furthermore, during our review we have not become aware of any material violations of the provisions of Law 7 of 2010, as amended, relating to the Capital Markets Authority and its related regulations during the three months for the period ended March 31, 2023 that might have had a material effect on the Group’s financial position or results of its operations.

State of Kuwait
May 4, 2023

Nayef M. Al Bazie
License No. 91-A
RSM Albazie & Co.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2023
(All amounts are in Kuwaiti Dinars)

	Note	**March 31, 2023**	December 31, 2022 (Audited)	March 31, 2022 (Restated)
ASSETS				
Current assets:				
Cash and cash equivalent	3	**5,949,967**	6,357,880	5,092,825
Financial assets at fair value through profit or loss		**28,839**	235,587	397,433
Accounts receivable and other debit balances		**2,750,100**	3,376,064	8,499,526
Inventory		**35,476**	976	34,245
Properties held for trading		**3,798,005**	3,941,112	6,250,282
Assets classified as held for sale	4	**20,450,527**	15,154,762	15,479,743
Total current assets		**33,012,914**	29,066,381	35,754,054
Non-current assets:				
Financial assets at fair value through other comprehensive income		**7,721,224**	9,013,557	9,827,931
Investment in an associate		**269,406**	268,331	-
Property, plant and equipment		**2,575,543**	2,608,663	2,847,492
Investment properties		**151,274,188**	159,901,075	154,923,277
Goodwill		**2,254,210**	2,254,210	2,254,210
Total non-current assets		**164,094,571**	174,045,836	169,852,910
Total assets		**197,107,485**	203,112,217	205,606,964
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and other credit balances		**10,519,434**	11,735,726	10,393,830
Advances from customers		**1,683,101**	587,490	201,603
Lease liabilities		**1,872,217**	1,512,273	1,387,647
Islamic bank facilities		**5,372,024**	5,718,203	6,542,634
Liabilities associated with assets classified as held for sale	4	**571,103**	248,285	256,136
Total current liabilities		**20,017,879**	19,801,977	18,781,850
Non-current liabilities				
Accounts payable and other credit balances		**3,239,002**	3,289,613	5,446,406
Lease liabilities		**24,515,634**	25,228,038	10,027,428
Islamic bank facilities		**87,566,429**	90,074,403	93,646,806
Employees' end of service benefits		**1,592,242**	1,581,675	1,720,562
Total non-current liabilities		**116,913,307**	120,173,729	110,841,202
Total liabilities		**136,931,186**	139,975,706	129,623,052
Equity:				
Share capital		**62,955,982**	62,955,982	62,955,982
Share premium	9	**8,826,198**	17,921,560	17,921,560
Treasury shares	5	**(158,248)**	(1,777)	(1,777)
Statutory reserve		**1,632,430**	1,632,430	1,632,430
Fair value reserve		**(8,056,034)**	(6,850,132)	(6,090,326)
Other reserves		**463,988**	463,988	463,988
Foreign currencies translation adjustments		**5,440,969**	(14,932,065)	(14,000,668)
Foreign currency translation adjustments associated with assets classified as held for sale		**(21,958,942)**	123,564	38,296
Retained earnings (accumulated losses)		**194,816**	(9,095,362)	1,626,505
Equity attributable to shareholders of Parent Company		**49,341,159**	52,218,188	64,545,990
Non-controlling interests		**10,835,140**	10,918,323	11,437,922
Total equity		**60,176,299**	63,136,511	75,983,912
Total liabilities and equity		**197,107,485**	203,112,217	205,606,964

The accompanying notes (1) to (11) form an integral part of the interim condensed consolidated financial information.

Rasheed Y. Al Nafisi
Chairman

Ibrahim A. Al Soqabi
Chief Executive Officer

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2023
(All amounts are in Kuwaiti Dinars)

	Note	For the three months ended March 31, 2023	2022 (Restated)
Continuing operations:			
Revenue:			
Revenue from sale of properties held for trading		**136,439**	-
Rental income		**2,991,987**	2,488,433
Medical services income		**417,662**	861,530
Net management fees and commission income		**209,316**	71,884
Total revenue		**3,755,404**	3,421,847
Costs:			
Cost of sale of properties held for trading		**(133,690)**	-
Cost of rental		**(458,040)**	(433,683)
Cost of medical services		**(433,774)**	(638,866)
Total costs		**(1,025,504)**	(1,072,549)
Gross profit		**2,729,900**	2,349,298
Share of results from an associate		**1,075**	-
Gain on sale of investment properties		**76,366**	-
Selling and marketing expenses		**(43,651)**	(31,170)
General and administrative expenses		**(855,620)**	(795,667)
Depreciation		**(55,491)**	(65,891)
Operating profit		**1,852,579**	1,456,570
Net loss of financial assets		**(15,543)**	(16,814)
Net other expenses		**(100,448)**	(125,453)
Amortization of finance costs related to lease liabilities		**(331,540)**	(142,187)
Finance costs		**(1,422,172)**	(1,039,089)
(Loss) profit for the period from continuing operations		**(17,124)**	133,027
Discontinued operations			
Profit for the period from discontiunued operations	4	**201,134**	176,415
Profit for the period		**184,010**	309,442
Attributable to:			
Shareholders of the Parent Company		**194,816**	204,249
Non-controlling interests		**(10,806)**	105,193
		184,010	309,442
Profit per share attributable to shareholders of the parent company			
Continuing operations			
Basic and diluted earnings per share - attributable to shareholders of the parent company (fils)	6	**0.02**	0.07
Discontinued operations			
Basic and diluted earnings per share - attributable to shareholders of the parent company (fils)	6	**0.29**	0.25
Total basic and diluted earnings per share attributable to shareholders of the Parent Company (fils)	6	**0.31**	0.32

The accompanying notes (1) to (11) form an integral part of the interim consolidated financial information.

	Note	For the three months ended March 31,	
		2023	2022 (Restated)
Profit for the period		**184,010**	309,442
Other comprehensive loss from continuing operations:			
Items that may be reclassified subsequently to interim condensed consolidated statement of profit or loss:			
Foreign currency translation adjustments		**(1,588,606)**	164,747
Items that would not be reclassified subsequently to interim condensed consolidated statement of profit or loss:			
Change in fair value of financial assets through other comprehensive income		**(1,292,333)**	(541,064)
Other comprehensive loss for the period from continuing operations		**(2,880,939)**	(376,317)
Other comprehensive loss from discontinued operations:			
Other comprehensive loss for the period from discontinued operations	4	**(106,812)**	(611,216)
Total other comprehensive loss for the period		**(2,987,751)**	(987,533)
Total comprehensive loss for the period		**(2,803,741)**	(678,091)
Attributable to:			
Shareholders of the Parent Company		**(2,720,558)**	(707,574)
Non-controlling interests		**(83,183)**	29,483
		(2,803,741)	(678,091)
Total comprehensive loss for the period attributable to shareholders of the Parent Company:			
Continuing operations		**(2,782,067)**	(212,976)
Discontinued operations		**61,509**	(494,598)
		(2,720,558)	(707,574)

The accompanying notes (1) to (11) form an integral part of the interim consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2023
(All amounts are in Kuwaiti Dinars)

	Attributable to shareholders of the Parent Company											
	Share Capital	Share premium	Treasury Shares	Statutory reserve	Fair value reserve	Other reserves	Foreign currencies translation adjustments	Foreign currency translation adjustments associated with assets classified as held for sale	(Accumulated losses) retained earnings	Sub-total	Non-controlling interests	Total
Balance as at January 1, 2023	62,955,982	17,921,560	(1,777)	1,632,430	(6,850,132)	463,988	(14,932,065)	123,564	(9,095,362)	52,218,188	10,918,323	63,136,511
Setting off accumulated losses (Note 9)	-	(9,095,362)	-	-	-	-	-	-	9,095,362	-	-	-
Profit (loss) for the period	-	-	-	-	-	-	-	-	194,816	194,816	(10,806)	184,010
Other comprehensive (loss) income for the period	-	-	-	-	(1,205,902)	-	(1,735,984)	26,512	-	(2,915,374)	(72,377)	(2,987,751)
Total comprehensive (loss) income for the period	-	-	-	-	(1,205,902)	-	(1,735,984)	26,512	194,816	(2,720,558)	(83,183)	(2,803,741)
Transferred to foreign currency translation adjustments relating to assets classified as held for sale	-	-	-	-	-	-	22,109,018	(22,109,018)	-	-	-	-
Purchase of treasury shares	-	-	(156,471)	-	-	-	-	-	-	(156,471)	-	(156,471)
Balance as at March 31, 2023	62,955,982	8,826,198	(158,248)	1,632,430	(8,056,034)	463,988	5,440,969	(21,958,942)	194,816	49,341,159	10,835,140	60,176,299
Balance as at December 31, 2021	62,955,982	17,921,560	(1,777)	1,632,430	(5,582,249)	573,614	(15,898,912)	(7,317)	365,497	61,958,828	14,396,904	76,355,732
Prior years' adjustments (Note 2)	-	-	-	-	-	-	2,347,603	-	1,056,759	3,404,362	(3,404,362)	-
Balance as at January 1, 2022	62,955,982	17,921,560	(1,777)	1,632,430	(5,582,249)	573,614	(13,551,309)	(7,317)	1,422,256	65,363,190	10,992,542	76,355,732
Profit for the period	-	-	-	-	-	-	-	-	204,249	204,249	105,193	309,442
Other comprehensive (loss) income for the period	-	-	-	-	(508,077)	-	(449,359)	45,613	-	(911,823)	(75,710)	(987,533)
Total comprehensive (loss) income for the period	-	-	-	-	(508,077)	-	(449,359)	45,613	204,249	(707,574)	29,483	(678,091)
Effect of partial disposal of a subsidiary	-	-	-	-	-	(109,626)	-	-	-	(109,626)	415,897	306,271
Balance as at March 31, 2022	62,955,98	17,921,560	(1,777)	1,632,430	(6,090,326)	463,988	(14,000,668)	38,296	1,626,505	64,545,990	11,437,922	75,983,912

The accompanying notes from (1) to (11) form an integral part of the interim consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2023
(All amounts are in Kuwaiti Dinars)

	Notes	For the three months ended March 31, 2023	2022
Cash flows from operating activities:			
(Loss) profit for the period from Continuing operations		(17,124)	133,027
Profit for the period from Discontinued operations		201,134	176,415
Profit for the period		**184,010**	309,442
Adjustments for:			
Allowance for expected credit losses		**61,911**	60,667
Allowance for expected credit losses no longer required		**(60,880)**	(1,694)
Net loss on financial assets		**15,543**	16,814
Share of results from an associate		**(1,075)**	-
Depreciation		**90,015**	102,670
Amortization of finance costs related to lease liabilities		**331,540**	142,187
Finance costs		**1,422,172**	1,039,089
Gain on sale of investment properties		**(76,366)**	-
Provision for employees' end of service benefits		**56,996**	47,941
		2,023,866	1,717,116
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		**186,660**	749,762
Inventory		**(34,500)**	6,178
Properties held for trading		**133,690**	-
Accounts payable and other credit balances		**(324,688)**	(296,147)
Advances from customers		**1,108,211**	130,592
Cash flows generated from operations		**3,093,239**	2,307,501
Employees' end of service benefits paid		**(42,408)**	(91,031)
Net cash flows generated from operating activities		**3,050,831**	2,216,470
Cash flows from investing activities:			
Net movement in restricted cash balances		**153,143**	18,309
Proceeds from sale of financials assets at fair value through profit or loss		**201,482**	-
Net movement in assets / liabilities held for sale		**130,504**	77,257
Proceeds from partial sale of a subsidiary		**-**	306,271
Paid for purchase of property, plant and equipment		**(125,070)**	(92,111)
Paid for investment properties		**(127,150)**	(49,777)
Proceeds from sale of investment properties		**2,621,325**	-
Net cash flows generated from investing activities		**2,854,234**	259,949
Cash flows from financing activities:			
Net movement in Islamic bank facilities		**(2,839,470)**	(2,294,907)
Lease liabilities paid		**(684,000)**	(630,000)
Purchase of treasury shares		**(156,471)**	-
Finance costs paid		**(2,071,129)**	(1,367,376)
Net cash flows used in financing activities		**(5,751,070)**	(4,292,283)
Net increase (decrease) in cash and cash equivalent		**153,995**	(1,815,864)
Foreign currency translation adjustments		**5,503**	(16,158)
Cash on hand and at banks related to assets held for sale		**(414,268)**	(145,594)
Cash and cash equivalent at the beginning of the period	3	**5,774,968**	6,412,811
Cash and cash equivalent at the end of the period	3	**5,520,198**	4,435,195
Non-cash transactions:			
Paid for investment properties		**-**	(9,375,000)
Accounts payable and other credit balances		**-**	3,375,000
Islamic bank facilities		**-**	6,000,000
		-	-

The accompanying notes (1) to (11) form an integral part of the interim consolidated financial information.

1. Incorporation and activities

Al Mazaya Holding Company "The Parent Company" is a Kuwaiti (Public) shareholding company listed on Kuwait Boursa and Dubai Financial Market and registered in the State of Kuwait, and was incorporated based on Memorandum of Incorporation under Ref. No. 3501 / Volume 1 dated November 7, 1998 and its subsequent amendments, the latest of which was notarized in the commercial registry No. 75203 dated June 8, 2021, according to which the reduction of the parent company's capital.

The Parent Company's main activities based on the Articles of Association are as follows:
Ownership of Kuwaiti and foreign shareholding companies, ownership of shares and portions of limited liability Kuwaiti and foreign companies or participating in the formation of those companies, as well as managing and guaranteeing those companies, granting loans to the companies in which it owns shares in and guaranteeing them towards others, provided that the percentage of participation of the holding company in the capital of the borrowing company is not less than 20%, ownership of industrial property rights including intellectual rights, trade marks, industrial marks, industrial fees or any other rights relating to such assets and leasing them to other companies to utilize them whether inside or outside the state of Kuwait, ownership of the movable assets and real properties needed to operate within the applicable laws, utilization of its available financial surpluses by investing them in financial real estate portfolios managed by specialized companies.

The Parent Company has the right to practice its aforementioned objectives inside the State of Kuwait and abroad for itself or as agent or representative to other, the Parent Company has the right as well to have interest or to participate with entities that practice similar operations or assist the Parent Company in achieving its objectives inside and outside Kuwait, and such it has the right to establish, form partnership, purchase or merge with those entities.

The Parent Company's registered address is P.O. Box 3546, Safat 13036, State of Kuwait.

The interim condensed consolidated financial information was authorized for issue by the Board of Directors on May 4, 2023.

2. Basis of presentation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual financial statements for the fiscal year ended December 31, 2022.

The Group has not early adopted any other standards, interpretations or amendments that has been issued but is not yet effective. Other amendments and interpretations apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial information of the Group.

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim condensed consolidated financial information. Operating results for the period ended March 31, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2022.

Prior years' adjustments represent the effect of adjusting the calculations of the non – controlling interest and the Parent Company in First Dubai Real Estate Development Company – K.S.C.P and Al Mazaya Real Estate Development Company – K.S.C. (Closed). The effect of this change as at December 31, 2021 resulted in an increase in the retained earnings by an amount of KD 1,056,759, increase in the foreign currency translation adjustments by an amount of KD 2,347,603 and decrease in the non-controlling interests by an amount of KD 3,404,362.

3. Cash and cash equivalent

	March 31, 2023	December 31, 2022 (Audited)	March 31, 2022
Cash in hand and at banks	**5,949,393**	6,282,329	5,092,825
Cash in portfolios	**574**	75,551	-
	5,949,967	6,357,880	5,092,825
Less: Restricted bank balances (a)	**(429,769)**	(582,912)	(657,630)
Cash and cash equivelant in consolidation statement of cash flow	**5,520,198**	5,774,968	4,435,195

a) Restricted bank balances represent escrow accounts restricted for receiving and making payments for specific construction activities and as a collateral for same bank facilities of the Group, which may not be available for use within 90 days.

4. Assets classified as held for sale

Net assets and liabilities classified as held for sale are represented as follows:

	March 31, 2023	December 31, 2022 (Audited)	March 31, 2022
Kuwaiti Saudi Real Estate Investment Company – O.P.C. (a)	**15,035,898**	14,906,477	15,223,607
Mazaya Ritim Istanbul Insaat Anonim Sirketi (Ritim) Company (b)	**4,843,526**	-	-
	19,879,424	14,906,477	15,223,607

a) Kuwaiti Saudi Real Estate Investment Company – O.P.C.

During the year ended December 31, 2021, the Board of Directors of a subsidiary to the Group (First Dubai Real Estate Development Company K.S.C. (public)) approved the disposal of all the shares of Kuwaiti Saudi Real Estate Investment Company – O.P.C. (subsidiary to First Dubai Real Estate Development Company K.S.C. (public)) (subsidiary)) against cash and in kind consideration with a net amount of 15,500,000 Kuwaiti dinars .The assets and liabilities attributable to the subsidiary have been classified as a disposal group held for sale and are presented separately in the statement of financial position.

During the year ended December 31, 2022, that transaction was partially executed by transferring part of the in-kind consideration to First Dubai Real Estate Development Company - K.S.C. (Public) (subsidiary) by transferring investment properties amounting to KD 10,125,000 along with an attached mortgage in favor of a local bank for an amount of KD 6,000,000 which was included within the Islamic bank facilities of the Group in addition to partial payment of the cash consideration in the amount of KD 450,000 that had resulted in an obligation of KD 4,575,000 which was recorded under the Accounts payable and other credit balances till the completion of the remaining transaction terms by both parties and recording the full financial impact in the consolidated financial statements at that time.

During the period ended March 31, 2023, the two parties agreed to amend some transaction terms, which are mainly represented in the exclusion of one of the properties owned by the subsidiary under sale out of the deal and not to include that property in the assets attributable to that subsidiary under sale when transferring the ownership of its shares to the buyer upon the completion of the transaction in the future. In addition to amending the execution mechanism of the remaining terms of the transaction between the two parties and amending the execution phases to be in two phases, where the first phase shall be executed upon the transfer of the remaining properties to be transferred by the buyer to First Dubai Real Estate Development Company - K.S.C. (Public) (the subsidiary), and the second phase shall be fully executed upon the buyer's payment of KD 3,550,000 to the subsidiary. Accordingly, the remaining terms of that transaction are currently under execution by both parties in addition to studying several other options for the final settlement of that transaction between the two parties.

The major items of assets and liabilities comprising the subsidiary under disposal which are classified as held for sale are as follows:

	March 31, 2023	December 31, 2022 (Audited)	March 31, 2022
Assets:			
Cash on hand and at banks	**235,951**	199,294	145,594
Accounts receivable and other debit balances	**138,415**	74,207	116,872
Investment properties	**14,912,485**	14,881,261	15,217,277
Total Assets classified as held for sale	**15,286,851**	15,154,762	15,479,743
Liabilities:			
Accounts payable and other credit balances	**249,691**	246,159	252,954
Provision for end of service indemnity	**1,262**	2,126	3,182
Total liabilities associated with assets classified as held for sale	**250,953**	248,285	256,136
Net assets classified as held for sale	**15,035,898**	14,906,477	15,223,607

The results of operation related to the subsidiary under disposal for the period are as follows:

	For the three months ended March 31,	
	2023	2022
Revenue:		
Rental income	**185,628**	182,021
Net management fees and commission income	**10,330**	9,458
Total revenue	**195,958**	191,479
Costs:		
Cost of rental	**(26,393)**	(54,796)
Total costs	**(26,393)**	(54,796)
Gross profit	**169,565**	136,683
General and administrative expenses	**(533)**	(2,072)
Operating profit	**169,032**	134,611
Net other income	**24,196**	2,899
Profit for the period from discontinued operations	**193,228**	137,510
Other comprehensive income for the period from discontinued operations	**29,843**	51,309
Total comprehensive income for the period from discontinued operations	**223,071**	188,819

b) Mazaya Ritim Istanbul Insaat Anonim Sirketi (Ritim) Company

During the interim period ended March 31, 2023, the Parent Company received an offer to purchase its full ownership interest in its subsidiary in Turkey "Mazaya Ritim Istanbul Insaat Anonim Sirketi" with Turkish Lira 310 Million, that is equivalent to almost KD 4.97 Million as at March 31, 2023. Subsequent to the date of the consolidated interim financial information, the Parent Company approved the offer and sale of its full ownership interest in that subsidiary in Turkey for the offered purchase price.

The assets and liabilities attributable to the subsidiary have been classified as a disposal group held for sale as at the date of the interim condensed consolidated statement of financial position, Where the net book value of the entire balances attributable to the subsidiary in the books of the Parent Company had amounted to KD 4.76 Million as at March 31, 2023, and the foreign currency translation adjustment losses pertaining to this subsidiary had amounted to KD 22.11 Million as at March 31, 2023.

The Group will recognize the impact of this transaction during the subsequent interim financial period ending on June 30, 2023 based on the financial position of that subsidiary as at the sale completion date along with the resultant profit or loss from that disposal of the subsidiary, in addition to reclassifying the foreign currency translation adjustment losses pertaining to this subsidiary from foreign currency translation reserve in the Parent Company's shareholder's equity to the consolidated statement of profit or loss as losses during the subsequent interim financial period ending on June 30, 2023. This reclassification will have no impact on the Parent Company's book value per share or its total shareholders' equity.

The major items of assets and liabilities comprising the subsidiary under disposal which are classified as held for sale are as follows:

	March 31, 2023
Assets:	
Cash on hand and at banks	**178,317**
Accounts receivable and other debit balances	**414,298**
Property, plant and equipment	**68,176**
Investment properties	**4,502,885**
Total Assets classified as held for sale	**5,163,676**
Liabilities:	
Accounts payable and other credit balances	**303,535**
Advances from customers	**12,600**
Provision for end of service indemnity	**4,015**
Total liabilities associated with assets classified as held for sale	**320,150**
Net assets classified as held for sale	**4,843,526**

The results of operation related to the subsidiary under disposal for the period are as follows:

	For the three months ended March 31,	
	2023	2022
Revenue:		
Rental income	**53,719**	35,459
Total revenue	**53,719**	35,459
Costs:		
Cost of rental	**(22,727)**	(17,426)
Total costs	**(22,727)**	(17,426)
Gross profit	**30,992**	18,033
General and administrative expenses	**(20,393)**	(12,266)
Operating profit	**10,599**	5,767
Net monetary loss	**(6,076)**	-
Net other income	**3,383**	33,138
Profit for the period from discontinued operations	**7,906**	38,905
Other comprehensive loss for the period from discontinued operations	**(136,655)**	(662,525)
Total comprehensive loss for the period from discontinued operations	**(128,749)**	(623,620)

5. Treasury shares

	March 31, 2023	December 31, 2022 (Audited)	March 31, 2022
Number of shares	**3,929,600**	5,600	5,600
Percentage of issued shares (%)	**0.624**	0.001	0.001
Market value (KD)	**152,861**	267	426
Cost (KD)	**158,248**	1,777	1,777

The Parent Company's management has allotted an amount equal to treasury shares balance from retained earnings and reserves as of March 31, 2023. Such amount will not be available for distribution during treasury shares holding period.

6. Basic and diluted earnings per share

The information necessary to calculate basic and diluted earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	For the three months ended March 31,	
	2023	2022
Profit for the period attributable to equity holders of the Parent Company from Continuing operations	**15,257**	42,997
Profit for the period attributable to equity holders of the Parent Company from Discontinued operations	**179,559**	161,252
Profit for the period attributable to equity holders of the Parent Company	**194,816**	204,249
Number of shares outstanding:		
Number of issued shares at beginning of the period	**629,559,816**	629,559,816
Less: Weighted average number of treasury shares	**(604,480)**	(5,600)
Weighted average number of shares outstanding	**628,955,336**	629,554,216
Basic and diluted earnings per share attributable to shareholders of the Parent Company from Continuing operations (fils)	**0.02**	0.07
Basic and diluted earnings per share attributable to shareholders of the Parent Company from Discontinued operations (fils)	**0.29**	0.25
Total basic and diluted earnings per share attributable to shareholders of the Parent Company (fils)	**0.31**	0.32

Since there are no diluted instruments outstanding, basic and diluted earnings per share are identical.

7. Related party disclosures

The Group has entered into various transactions with related parties, i.e. key management personnel, and other related parties. Prices and terms of payment are to be approved by the Group's management. Significant related party transactions and balances are as follows:

Interim condensed consolidated statement of financial position:

	Key management personnel	**March 31, 2023**	December 31, 2022 (Audited)	March 31, 2022
Accounts payable and other credit balances	3,406	**3,406**	2,073	169,195
Lease liabilities (a)	6,809,147	**6,809,147**	3,244,238	3,481,155

Amounts due from / to related parties are interest free and are receivable or payable on demand.

Transactions included in the interim condensed consolidated statement of profit or loss:

	Key management personnel	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Rental income	2,154	**2,154**	2,154
Amortization of finance costs related to lease liabilities	(83,098)	**(83,098)**	(43,297)

a) During the interim period ended March 31, 2023, a property accounted for by the Group as a leased property under IFRS 16 has been acquired by a board member from its previous owner. Based on that, the Group's lease liability towards that property had been reassigned towards the new owner under the same terms and conditions of the original contractual lease terms with the old owner for the remaining lease term which ends on October 2037.

The amounts recognized for this lease liability montioned above as at March 31 that compose part of the Groups' consolidated lease liabilities can be presented as follows:

	2023	2022
Lease liability within one year	**909,000**	540,000
Remaining liability till end of lease term	**7,947,000**	3,618,000
Total lease liability	**8,856,000**	4,158,000
Less: Unamortized future finance charge	**(2,046,853)**	(676,845)
Present value of minimum lease payments	**6,809,147**	3,481,155

Compensation to key management personnel

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Short term benefits	**126,090**	143,054
Terminal benefits	**11,832**	15,157
	137,922	158,211

8. Segment information

For management purposes, the Group is divided into geographical segments that are: State of Kuwait, United Arab Emirates (UAE), Kingdom of Saudi Arabia (KSA), Turkey and others, where the Group performs its main activities in the real estate segment. There is no income generating transactions between the Group's segments.

	Three month period ended March 31, 2023						Three month period March 31, 2022					
	Kuwait	**UAE**	**KSA**	**Turkey**	**Others**	**Total**	Kuwait	UAE	KSA	Turkey	Others	Total
Segment revenue from continuing operations	**3,058,910**	**575,531**	**-**	**-**	**120,963**	**3,755,404**	2,817,000	481,167	-	-	123,680	3,421,847
Segment revenue from discontinued operations	**-**	**-**	**195,958**	**53,719**	**-**	**249,677**	-	-	191,479	35,459	-	226,938
Segment (loss) profit from continuing operations	**(227,181)**	**206,155**	**-**	**-**	**3,902**	**(17,124)**	(91,450)	239,930	-	-	(15,453)	133,027
Segment profit from discontinued operations	**-**	**-**	**193,228**	**7,906**	**-**	**201,134**	-	-	137,510	38,905	-	176,415

	As at March 31, 2023						As at March 31, 2022					
	Kuwait	**UAE**	**KSA**	**Turkey**	**Others**	**Total**	Kuwait	UAE	KSA	Turkey	Others	Total
Total segment assets	**105,956,067**	**58,299,374**	**15,286,851**	**5,163,676**	**12,401,517**	**197,107,485**	96,542,942	72,225,342	15,479,743	5,987,255	15,371,682	205,606,964
Total segment liabilities	**126,078,209**	**5,578,414**	**250,953**	**320,150**	**4,703,460**	**136,931,186**	116,952,691	7,460,961	256,136	196,719	4,756,545	129,623,052

	As at December 31, 2022 (Audited)					
	Kuwait	UAE	KSA	Turkey	Others	Total
Total segment assets	108,887,134	59,660,541	15,154,762	5,328,013	14,081,767	203,112,217
Total segment liabilities	130,076,346	4,515,178	248,285	352,012	4,783,885	139,975,706

9. Annual general assembly of the Parent Company

The Annual General Meeting of the Shareholders held on March 16, 2023, has approved the consolidated financial statements of the Group for the year ended December 31, 2022 and approved the following items:

- Not to distribute cash dividends or bonus shares for the year ended December 31, 2022.
- Not to pay Board of Directors remuneration for the year ended December 31, 2022.
- To offset the entire accumulated loss balance amounted to KD 9,095,362 as at December 31, 2022 against reducing the balance of the share premium from KD 17,921,560 to KD 8,826,198.

The Annual General Meeting of the Shareholders held on March 17, 2022, has approved the consolidated financial statements of the Group for the year ended December 31, 2021, and not to distribute cash dividends or bonus shares and not to pay Board of Directors remuneration for the year ended December 31, 2021.

10. Fair value measurement

The Group measures financial assets such as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and non-financial assets such as investment properties at fair value at the end of the financial peroid.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole is as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows an analysis of captions recorded at fair value by level of the fair value hierarchy:

	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	**23,544**	**-**	**5,295**	**28,839**
Financial assets at FVTOCI	**-**	**1,212,229**	**6,508,995**	**7,721,224**
Investment properties (a)	**-**	**63,042,862**	**107,646,696**	**170,689,558**
Total	**23,544**	**64,255,091**	**114,160,986**	**178,439,621**

	December 31, 2022 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	79,616	-	155,971	235,587
Financial assets at FVTOCI	-	1,225,648	7,787,909	9,013,557
Investment properties (a)	-	65,432,532	109,349,804	174,782,336
Total	79,616	66,658,180	117,293,684	184,031,480

	March 31, 2022		
	Level 2	Level 3	Total
Financial assets at FVTPL	-	397,433	397,433
Financial assets at FVTOCI	1,226,917	8,601,014	9,827,931
Investment properties (a)	44,571,469	125,569,085	170,140,554
	45,798,386	134,567,532	180,365,918

a) Investment property includes all properties included in assets held for sale.

There were no transfers between the levels during the period.

11. Significant and subsequent events

During the interim period ended March 31, 2023, and according to the Parent Company's Board of Directors meeting held on March 22, 2023, a preliminary agreement was reached between Al Mazaya Holding Company - K.S.C.P. (Parent Company) and First Dubai Real Estate Development Company - K.S.C.P. (Subsidiary) regarding their intention to study a Merger by Amalgamation, where Al Mazaya Holding Company - K.S.C.P. will be the "Merging" company and First Dubai Real Estate Development Company - K.S.C.P. will be the "Merged" company. Both companies are currently in process of completing the related studies in that regard..

During the year ended December 31, 2020, two subsidiaries of the group had filed lawsuits before the courts of the Emirate of Dubai in the United Arab Emirates against some investors regarding the development of real estate projects in the Emirate of Dubai in the United Arab Emirates. During the year ended December 31, 2021, the Court of Cassation upheld the judgment issued by the Court of Appeal, which had previously upheld the judgment of the Court of First Instance issued in favor of the two subsidiaries of the group about their entitlement to a total amount of AED 19,780,852, in addition to the legal interest of 9% from the date of the judicial claim till full payment, whereby the entitlement of those subsidiaries including the legal interest until December 31, 2021 had amounted to AED 22,401,016 (equivalent to KD 1,844,305) and hence, the management of those subsidiaries had decided to reverse the provisions recorded in their books against their full entitled amount according to the Court's verdict including the legal interest up till December 31, 2021 which is reported as provisions no longer required in the consolidated statement of profit or loss for the year ended December 31, 2021. The subsidiaries of the group initiated legal execution procedures against those investors for the fulfillment of that verdict along with its legal interest, which resulted in the collection of almost 78% from the total amount due to the two subsidiaries till March 31, 2023, whereas the remaining amount is currently under collection by the Group's two subsidiaries.

Subsequent to the date of the consolidated interim financial information, as a result of those lawsuits, the defendants filed a counter-lawsuit against the Parent Company, the two subsidiaries and others demanding for the payment of AED 261,026,454 (equivalent to KD 21,788,009) in addition to the legal interest of 5% from the date of the judicial claim till full payment, in addition to demanding payment of AED 50,000,000 (equivalent to KD 4,173,525) as compensation for lost profits. Subsequently, the court demanded from the plaintiffs in those new legal cases to reregister them at the concerned judicial department and pay the required additional fees, and hence, it was considered as a closed case till being reregistered. Hence, there was no need to consider any provisions against that legal case as of the consolidated interim financial information date.

In addition, subsequent to the date of the consolidated interim financial information, a subsidiary to the Group had executed a swap deal for its land plots in the United Arab Emirates in exchange for new land plots and rights to purchase other land plots with the master developer of those plots, where the book value of the disposed plots as of March 31, 2023 has amounted to KD 16,632,732 and the fair value of the new plots and the rights to purchase other plots at the time of the swap execution has amounted to KD 16,857,545. This transaction will be recognized in the interim consolidated financial information of the Group in the subsequent interim financial period ending on June 30, 2023.